

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI PRIORITY

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E.O.11652:N/A

TAGS: PFOR, IN, US

SUBJECT:GOI PESTICIDE REQUIREMENTS

REF: (A) ISLAMABAD 10204 (SECTO 277); (B) NEW DELHI 15217

1. IN RESPONSE TO THE REQUEST MADE TO THE SECRETARY (REF A), WE HAVE CONTACTED SENIOR OFFICIALS OF THE U.S. COMPANIES MANUFACTURING THE PESTICIDES MENTIONED BY MINISTER OF AGRICULTURE JAGJIVAN RAM. ALTHOUGH WE DO NOT YET HAVE DEFINITIVE REPLY FROM UNION CARBIDE REGARDING AVAILABILITY OF CARBORYL, EMBASSY IN MEANTIME MAY WISH TO TRANSMIT TO GOI RESPONSES WE HAVE OBTAINED FROM OTHER COMPANIES, WHICH ARE AS FOLLOWS.

2. GENERAL COMMENTS.

A. AS EMBASSY AWARE, AND NO DOUBT GOI AS WELL, THERE IS AT PRESENT AN OVERALL SHORTAGE OF THESE AND OTHER CHEMICALS, CAUSED BY PETROLEUM FEEDSTOCK SHORTAGES AND LACK OF SUFFICIENT PRODUCTION CAPACITY TO MEET GROWING WORLD DEMAND.

B. WITH EXCEPTION OF HERCULES CORPORATION, WHOSE
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MANUFACTURING RIGHTS FOR TOXAPHENE EXPIRED FEW YEARS AGO,

ALL OTHER U.S. COMPANIES WE CONTACTED HAVE EXCLUSIVE MANUFACTURING RIGHTS IN THE U.S. FOR THESE CHEMICALS.

3. FMC CORPORATION. MANUFACTURES ENDOSULFAN (TRADE NAME "THIODAN") BUT HAS RIGHTS TO MARKET IT ONLY WITHIN THE UNITED STATES. COMPANY SUGGESTED GOI SHOULD DIRECT ITS INQUIRY TO HOECHST IN FRANKFURT, WEST GERMANY, WHICH HOLDS BASIC MANUFACTURING RIGHTS FOR THIS PRODUCT.

4. HERCULES CORPORATION. COMPANY RECENTLY DISCONTINUED MANUFACTURE OF "TECHNICAL TOXAPHENE", A 100 PERCENT TOXAPHENE PRODUCT WHICH WAS DIFFICULT TO HANDLE AND FORMULATE. INSTEAD, HERCULES NOW MANUFACTURING SOLUTION OF 90 PERCENT TOXAPHENE AND 10 PERCENT XYLENE, WHICH IS NORMALLY FORMULATED INTO FINAL PESTICIDE PRODUCT IN COUNTRY OF USE. HERCULES IS LARGEST PRODUCER IN U.S. OF TOXAPHENE. COMPANY ADVISED THAT LAST REMAINING SUPPLY OF TECHNICAL TOXAPHENE (APPROXIMATELY ONE MILLION POUNDS) WAS SET ASIDE EARLIER THIS YEAR FOR INDIAN OFFICE OF FISONS, A LONDON-BASED COMPANY. HOWEVER, DEFINITE ORDER NOT PLACED AS YET BY FISONS. TO MEET ADDITIONAL NEEDS FOR TOXAPHENE BEYOND THIS AMOUNT, IT WILL BE NECESSARY TO IMPORT 90/10 TOXAPHENE SOLUTION. HERCULES ADVISED THEY WILL HAVE ADEQUATE SUPPLIES OF 90/10 TO MEET STATED GOI REQUIREMENTS AND WILL BE PLEASED TO DELIVER ON REASONABLY SHORT NOTICE. HOWEVER, HERCULES NOTED THAT, PERHAPS MISTAKENLY, GOI HAS PUT 90/10 SOLUTION IN READY-TO-USE PESTICIDE TARIFF CLASSIFICATION, RESULTING IN HIGH TARIFF. COMPANY OFFICIALS REQUESTED IT BE SUGGESTED TO GOI THAT IT WOULD BE PREFERABLE IF PRODUCT COULD BE RECLASSIFIED SO THAT TARIFF COULD BE LOWERED, OR ELIMINATED.

SHOULD GOI WISH TO PLACE ORDER OR GET FURTHER INFORMATION, INQUIRY SHOULD BE MADE TO FOLLOWING OFFICE, WHICH IS RESPONSIBLE FOR INDIAN MARKET:

HERCULES FAR EAST LIMITED, POLA AOYAMA BUILDING,
5TH FLOOR, 5 MINANI AOYAMA 2-CHOME, MINATO-KU, TOKYO,
JAPAN. TELEX: J22309 HERCULES. CABLE: HERCULESFE.
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PHONE: 404-7411. CONTACT PERSON: E.J. GROSKORTH.

5. AMERICAN CYANAMID. COMPANY SUBSIDIARY, CYANAMID OF INDIA, LTD., HAS BEEN MANUFACTURING MALATHION AT BULSAR SINCE 1965. COMPANY OFFICIALS STATED THEY COULD HAVE INCREASED CAPACITY OF BULSAR PLANT SUBSTANTIALLY BUT GOI HAS REFUSED SEVERAL APPLICATIONS FOR EXPANSION ON GROUNDS THEY WOULD PREFER INDIAN COMPANIES TO ENTER INTO

MORE PESTICIDE MANUFACTURE. AT PRESENT, THEY SAID,

CYANAMID IS AWAITING FINAL GOI APPROVAL TO EXPAND ITS MALATHION FACILITIES (PRESENT ANNUAL CAPACITY: 1,200 TONS) AND FOR PERMISSION TO MANUFACTURE/FORMULATE OTHER PESTICIDES. IF PERMISSION WERE GRANTED NOW, MALATHION CAPACITY COULD POSSIBLY BE DOUBLED BY THE END OF 1975. COMPANY BELIEVES IT WOULD MAKE NO SENSE FOR INDIA TO IMPORT MALATHION WHEN LOCAL FACILITIES COULD BE EXPANDED.

COMPANY ALSO MANUFACTURES TECHNICAL PHORATE WHICH IS SUPPLIED TO CYANAMID INDIA FOR FORMULATION INTO FINISHED PRODUCT (THIMET). COMPANY WILL HAVE NO PROBLEM SUPPLYING 200 METRIC TON REQUIREMENT CITED BY MINISTER RAM AS LONG AS THE NECESSARY GOI IMPORT LICENSES ARE ISSUED AND IN SUFFICIENT TIME. IN THE PAST, CYANAMID REPORTS, IT HAS HAD GREAT DIFFICULTIES IN OBTAINING SUCH IMPORT LICENSES. CURRENTLY, IT IS WAITING FOR AN IMPORT LICENSE FOR TECHNICAL PHORATE REQUIRED FOR THE 1975 SEASON.

CYANAMID OFFICIALS HERE SAID THEY WOULD APPRECIATE LEARNING GOI RESPONSE TO THIS INFORMATION.

6. UNION CARBIDE. UNION CARBIDE OFFICIALS HAVE INFORMED US THAT CARBORYL NOW IS IN VERY SHORT SUPPLY WORLD-WIDE AND THAT ALL OF COMPANY'S CUSTOMERS ARE ON ALLOCATION FOR THIS PRODUCT. INITIAL COMPANY REACTION TO OUR REQUEST WAS THAT ONLY WAY IT COULD INCREASE CARBORYL ALLOCATION FOR INDIA WOULD BE TO TAKE FROM ANOTHER CUSTOMER OR CUSTOMERS TO WHOM THEY ALREADY COMMITTED. COMPANY HAS UNDERTAKEN REVIEW OF SUPPLY/CONTRACT SITUATION BUT TO DATE HAS GIVEN US LITTLE GROUND FOR OPTIMISM RE OUTCOME. SENIOR UNION CARBIDE VICE PRESIDENT ASSURED ASSISTANT
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SECRETARY ENDERS LATE LAST WEEK THAT COMPANY WILL BE AS HELPFUL AS IT CAN AND THAT QUESTION BEING GIVEN TOP PRIORITY.

7. WE WILL ADVISE FURTHER AS SOON AS RESPONSE RECEIVED FROM UNION CARBIDE. INGERSOLL

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